

RR (7824)

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GAF Corporation

ORIGINAL FILED

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WILLIAM T. WALSH, CLERK

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

GAF CORPORATION, a Delaware Corporation, : Civil Action No. 95-1150 (AMW)

Plaintiff, :

v. :

HARTFORD ACCIDENT & INDEMNITY COMPANY, a Connecticut Corporation; INSURANCE COMPANY OF NORTH AMERICA, a Pennsylvania Corporation; INDEMNITY INSURANCE COMPANY OF NORTH AMERICA, a New York Corporation; CHUBB INDEMNITY INSURANCE COMPANY, a New York Corporation; COMMERCIAL UNION INSURANCE COMPANY OF NEW YORK, a New York Corporation; NORTHBROOK INSURANCE COMPANY, an Illinois Corporation; TRENWICK REINSURANCE COMPANY, LTD., a Bermuda Corporation; and CERTAIN UNDERWRITERS AT LLOYD'S, LONDON AND LONDON MARKET COMPANIES, NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, a Pennsylvania Corporation, CONTINENTAL CASUALTY COMPANY, an Illinois Corporation, and AETNA CASUALTY AND PROPERTY COMPANY, a Connecticut Corporation,

Defendants.

THIRD AMENDED COMPLAINT
AND JURY DEMAND

Plaintiff, GAF Corporation, including its predecessors, successors, subsidiaries and other related corporate entities (hereinafter referred to as "GAF"), by way of Complaint against defendants, states as follows:

NATURE OF ACTION AND RELIEF SOUGHT

1. This is a civil action for declaratory judgment, for compensatory relief and for punitive damages resulting from defendants, breaches of their contractual obligations to defend and indemnify GAF against liabilities for various claims and losses covered by and arising from policies of insurance sold by defendants. GAF brings this action because it finds itself in the all too familiar position of many insureds -- having paid its premiums and otherwise complied with all of its obligations under the insurance policies issued by defendants, the insurer defendants have refused, to fulfill their part of the bargain. Without just cause or excuse, they have refused to indemnify or defend GAF against numerous environmental claims asserted against GAF by both private parties and governmental entities here in New Jersey and elsewhere around the country.

JURISDICTION AND VENUE

2. Jurisdiction of this court is based upon 28 U.S.C. §1332 in that the amount in controversy exceeds the sum or value of \$50,000, exclusive of interest and costs, and this action is between citizens of different states.

3. Venue is based upon 28 U.S.C. §1391(a) in that a substantial part of the events or omissions giving rise to the claims occurred, or a substantial part of property that is the subject of this action is located, in the District of New Jersey.

IDENTITY OF PARTIES AND-JURISDICTION

4. Plaintiff, GAF Corporation, is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in New Jersey, and is qualified to do business in New Jersey. From its inception to the present date, GAF manufactured, inter alia, various chemical products at locations in New Jersey and elsewhere in the United States. In or about May 1967, GAF acquired, by merger, The Ruberoid Co. Inc., which company was a leading national manufacturer of building materials.

5. Defendant, Hartford Accident and Indemnity Company ("Hartford") is a Connecticut Corporation with its principal place of business in Hartford, Connecticut.

6. Defendant, Insurance Company of North America ("INA") is a Pennsylvania corporation with its principal place of business in Philadelphia, Pennsylvania.

7. Defendant, Indemnity Insurance Company of North America ("IINA") is a New York corporation with its principal place of business in Philadelphia, Pennsylvania. Upon information and belief, INA is the successor to, and has assumed the liabilities and obligations of IINA.

8. Defendant, Chubb Indemnity Insurance Company ("Chubb Indemnity") is a New York corporation with its principal place of business in New York, New York. Upon information and belief, Chubb Indemnity is the successor to, and has assumed the liabilities and obligations of, Sun Indemnity Company of New York.

9. Defendant, Commercial Union Insurance Company of New York ("Commercial Union") is a New York corporation with its principal place of business in New York, New York. Upon information and belief, Commercial Union is the successor to, and has assumed the liabilities and obligations of, Employers Liability Assurance Corp. and Employers Surplus Lines Insurance Company.

10. Defendant, Northbrook Insurance Company ("Northbrook") is an Illinois corporation with its principal place of business in South Barrington, Illinois.

11. Defendant Trenwick Reinsurance Company, Ltd. ("Trenwick") is a Bermuda corporation with its principal place of business in Bermuda.

12. Defendants, Underwriters at Lloyd's, London and London Market Companies are syndicates, corporations or other business entities existing under the laws of some sovereign power or are individual underwriters at Lloyd's, London that have subscribed to one or more insurance policies sold to GAF. The subscribing companies include Andrew Weir Ins. Co. Ltd.; River Thames Ins. Co. Ltd.; Hull Underwriters Ins. Co. Ltd.; Orlon Ins. Co. Ltd. ("T" Account); Swiss National Ins. Co.; Bishopsgate Ins. Co. Ltd.; City General Ins. Co.; Home & Overseas Ins. Co. Ltd.; St. Helens Ins. Co. Ltd.; World Auxiliary Ins. Co.; English & American Ins. Co. Ltd.; British Aviation Ins. Co. Ltd.; British National Life Ins. Soc. Ltd.; Excess Ins. Co. Ltd.; United Standard Ins. Co.; Dominion Ins. Co.; London & Edinburgh Ins. Co.; Anglo-Saxon Ins. Assn.; British Merchants Ins. Co.; Alba Gen. Ins. Co. Ltd.; Anglo-French Ins. Co. Ltd.; World Marine & General Ins. Co. Ltd.; Royal, Scottish Ins. Co. Ltd.; Orlon Ins. Co. Ltd.; Trent Ins. Co. Ltd.; City General Ins. Co. Ltd.; Sphere Ins. Co. Ltd.; Drake Ins. Co. Ltd.; Sovereign Marine & General Ins. Co.; Baloise Fire Ins. Co.; Fidelidade Ins. Co. of Lisbon; National Casualty Co. of America, Ltd.; Aggrippina Versicherungs A.G.; London & Overseas Ins. Co. Ltd.; Minster Ins. Co. Ltd.; Stronghold Ins. Co. Ltd.; Swiss Union Gen. Ins. Co. Ltd.; British National Ins. Co.; Union America Co. Ltd.; St. Katherine Co., Ltd.; Folksam International Co., Ltd.; Yasuda Fire & Marine Co., Ltd.; Winterthur Swiss Ins. Co.; Compagnie Europeenne d'Assurances Industrielles S.A.; Turegum Insurance Co.; Great Atlantic Insurance Co.; and Assicurazioni Generali S.p.A. Upon information and belief, each has consented to the jurisdiction of this court and has designated Mendes and Mount, and others, as its agents for purposes of receiving service of process issued by

this Court. The defendants described in this paragraph are hereinafter referred to collectively as "Lloyd's. "

13. Defendant, National Union Fire Insurance Company of Pittsburgh ("National Union") is a Pennsylvania Corporation with its principal place of business in New York, New York.

14. Defendant, Continental Casualty Company ("Continental Casualty") is an Illinois Corporation with its principal place of business in Chicago, Illinois.

15. Defendant, Aetna Casualty and Property Company ("Aetna") is a Connecticut Corporation with its principal place of business based in Hartford, Connecticut.

16. The above identified and described insuring companies and organizations are collectively referred to as the "Insurer Defendants. "

17. Hartford, INA, IINA, Commercial Union, Chubb Indemnity, Great American, Zurich and American Mutual are collectively referred to as the "Primary Insurance Defendants".

18. Each named defendant was and is authorized to do business in the State of New Jersey and, within the time period relevant to the causes of action stated herein, has transacted business within New Jersey by, inter alia, doing a series of acts in New Jersey for the purpose thereby of realizing pecuniary benefit; contracting to supply services in New Jersey; or contracting to insure persons, property or risks located within New Jersey.

19. GAF is actively defending thirty-two (32) claims for various forms of relief on account of actual or threatened property damage and/or personal injury that have been made by the State of New Jersey, Department of Environmental Protection; the United States; and/or private parties concerning wastes allegedly generated by GAF and which came to rest at twenty-seven (27) sites in New Jersey as described in Exhibit "A, " attached hereto. GAF also is actively defending similar claims in other jurisdictions brought against GAF, including claims involving disposal sites,

environmental releases and property damage and/or personal injury in the following states: California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas and West Virginia, which are also the subject of this litigation. These claims are also described in Exhibit "A". (The above-described and referenced insurance claims are hereinafter referred to as the "Underlying Claims".)

GENERAL ALLEGATIONS

THE POLICIES

20. Insurer Defendants collectively sold to GAF policies of insurance, both primary and excess coverage, during the period from 1942 through 1984, which policies of insurance are more fully identified in Exhibit "B", attached hereto (the "Insurance Policies").

21. GAF paid all required premiums with respect to the Insurance Policies and each such policy was in full force and effect at all pertinent times.

22. All pertinent conditions to coverage have been satisfied or waived.

23. GAF has investigated and analyzed the exposure and potential exposures associated with the Underlying Claims and has brought this action against its insurance carriers whose coverage will, upon information and belief, be necessary in order to satisfy any liabilities GAF may have arising from the subject claims.

THE CONTROVERSY

THE UNDERLYING ENVIRONMENTAL CLAIMS AGAINST GAF

24. Third parties, including private parties and state and federal governmental agencies, have asserted claims against GAF for environmental harms at sites in New Jersey listed on Exhibit "A" and at sites in other states also listed on Exhibit "A".

25. GAF has incurred, and will potentially incur, substantial expenses and liabilities in the defense and resolution of each of these claims.

THE INSURANCE CONTROVERSY

26. Pursuant to the terms of the Insurance Policies, GAF has provided the Insurer Defendants with timely notice of the Underlying Claims and has asked the Insurer Defendants to honor their obligations under the Insurance Policies to indemnify GAF with respect to the Underlying Claims and has asked the Primary Insurance Defendants to honor their obligations under the Insurance Policies to defend GAF with respect to the Underlying Claims.

27. Pursuant to the terms of a Defense and Dispute Resolution Agreement entered into on or about December 18, 1986 between GAF, Hartford and INA (the "Defense Agreement"), Hartford and INA agreed to pay delineated defense costs in connection with the defense of certain environmental claims against GAF which were specifically included by the parties to the Defense Agreement. Attached hereto as Exhibit "C" is the Defense Agreement. The claims accepted by Hartford and INA for defense and included in the Defense Agreement are set forth on Exhibit "D" (the "Included Claims"). The Defense Agreement did not encompass GAF's claims for indemnity for such environmental claims, nor did it encompass defense costs for environmental claims not specifically included in the Defense Agreement (which non-included claims are set forth on Exhibit "E" (the "Non-included Claims"))).

28. Said Insurer Defendants have failed or declined to honor their duty to indemnify with respect to the Underlying Claims and their duty to defend the Non-included Claims.

29. As a result of the Underlying Claims, GAF has incurred substantial expenses, and it may sustain additional substantial losses and liabilities, because of property damage and/or personal injury (as defined in the Insurance Policies).

30. GAF has reasonably expected the Insurance Policies to provide coverage for losses, liabilities and expenses incurred as a result of the Underlying Claims, and has reasonably relied upon the Insurance Policies to provide comprehensive protection against the Underlying Claims.

31. Hartford and INA have also failed and refused to comply with the Defense Agreement, as a result of which GAF has given notice to Hartford and INA of GAF's termination of the Defense Agreement upon the expiration of its current term on December 31, 1995. With respect to, and only with respect to, the claim for defense costs arising out of the Underlying Claims governed by the Defense Agreement, as set forth in Exhibit "D", accruing through the effective date of termination of the Defense Agreement, GAF shall pursue such claims through arbitration as provided for in the Defense Agreement, and, therefore, those claims are not included in this Complaint.

FIRST COUNT
(For Declaratory Relief - Duty to Indemnify)

32. Paragraphs 1 through 31 are repeated as if fully set forth herein.

33. Pursuant to the terms of the Insurance Policies, each of the Insurer Defendants is jointly and severally liable to indemnify GAF for all sums that GAF becomes obligated, through judgment, settlement or otherwise, to pay with respect to the Underlying Claims, and for such further liabilities as may arise from such judgment or settlement or other resolution of the Underlying Claims. Each insurer's contractual duty to indemnify GAF is subject only to the conditions and limitations set forth in the Insurance Policies.

34. None of the Insurer Defendants has accepted their obligation to Indemnify GAF for the Underlying Claims against GAF and GAF has reason to believe that none will accept such indemnity obligations.

35. An actual controversy of a justifiable nature therefore presently exists between GAF and each of the Insurer Defendants concerning the proper construction of the Insurance Policies and the rights and obligations of -- the parties thereto with respect to the Underlying Claims.

WHEREFORE, for its First Count, GAF requests that this Court enter a judgment declaring that:

- (1) Each of the Insurer Defendants, pursuant to the terms of its respective applicable Insurance Policies, is jointly and severally liable to pay on behalf of GAF all sums that GAF becomes legally obligated, through judgment, settlement or otherwise, to pay with respect to each Underlying Claim (the "Duty to Indemnify"), subject only to the limits of liability (if any) expressly and unambiguously stated in the applicable Insurance Policies; and
- (2) GAF further requests that such judgment award to GAF its reasonable attorneys' fees and costs of this suit, and such other and further relief as the Court may deem just and proper.

SECOND COUNT

(For Damages for Breach of Duty to Indemnify)

36. Paragraphs 1 through 35 are repeated as if fully set forth herein.

37. GAF has incurred and continues to incur substantial expense in the resolution of the Underlying Claims.

38. Each of the Insurer Defendants has failed or declined to honor their Duty to Indemnify with respect to the Underlying Claims, and GAF has reason to believe that each of the defendants will continue to decline to do so.

39. By falling or declining to honor their Duty to Indemnify GAF with respect; to the Underlying Claims, the Insurer Defendants are in breach of their respective Insurance Policies.

40. As a direct and proximate result of the Insurer Defendants, breaches of their respective Insurance Policies, GAF has been deprived of the benefits of its liability Insurance coverage. By depriving GAF of its insurance coverage, the Insurer Defendants have directly damaged GAF by forcing it to make expenditures in resolution of the Underlying Claims that should be borne by the Insurer Defendants.

41. Further, as a result of such breaches of contract, GAF has been forced to incur and will continue to incur additional, reasonably foreseeable, consequential damages, including, but not limited to, the cost of attorneys' fees and other expenses in prosecuting this action, lost executive time, and the lost earnings on amounts wrongfully withheld by the defendants, which damages are not subject to any limits of liability stated in the Insurance Policies.

WHEREFORE, for its Second Count, GAF requests that this Court enter a judgment awarding GAF:

- (1) Compensatory and consequential damages sustained by GAF as a result of the defendants' breaches of their contractual Duty to Indemnify GAF, plus interest according to law, in amounts to be established through proof at this trial; and
- (2) Reasonable attorneys' fees and other costs of this action, and such other and further relief as the Court may deem just and proper.

THIRD COUNT

(For Declaratory Relief -- Duty to Defend of
The Primary Insurance
Defendants For Non-Included Claims)

42. Paragraphs 1 through 41 are repeated as if fully set forth herein.

43. Pursuant to the terms of the primary Insurance Policies issued by the Primary Insurance Defendants, each such insurer undertook to defend GAF against claims for losses arising from property damage and/or personal injury and to pay liabilities which GAF incurs with respect to such claims, including the above-described Non-included Claims.

44. Pursuant to the allegations asserted in the Non-included Claims, GAF could be held liable for property damage and/or personal injury occurring, in whole or in part, from the date of the inception of the Non-included Claims to the present. Thus, GAF could potentially be held liable for property damage and/or personal injury occurring in the policy period of each of the Insurance Policies in one or more claims made against GAF.

45. GAF is informed and believes, and therefore alleges, that the Primary Insurance Defendants: (1) dispute GAF's contentions as set forth above; (2) contend that the Insurance Policies that each such carrier issued to GAF do not provide full defense coverage and protection for the Non-included Claims, as listed on Exhibit "E", attached hereto; and (3) contend that such Insurance Policies do not obligate each such carrier to defend GAF in such matters.

46. WHEREFORE, for its Third Count, GAF requests that this Court grant a judgment declaring that:

- (1) Pursuant to each Insurance Policy issued by the Primary Insurance Defendants, each such insurer shall be individually obligated to defend fully and to pay in full on GAF's behalf all expenses incurred in defense of all Non-included Claims listed in Exhibit "E"; and
- (2) GAF further requests that such judgment award to GAF include its reasonable attorneys' fees and costs of this suit, and such other and further relief as the Court may deem just and proper.

FOURTH COUNT
(For Declaratory Relief -- Duty to Defend of
All Primary Insurance Defendants For Included Claims Listed in Exhibit D)

47. Paragraphs 1 through 46 are repeated as if fully set forth herein.

48. Pursuant to the terms of the primary Insurance Policies issued by the primary Insurance Defendants, each such insurer undertook to defend GAF against claims for losses arising from property damage and/or personal injury and to pay liabilities which GAF incurs with respect to such claims.

49. Pursuant to the allegations with respect to the Underlying Claims, including the claims listed in Exhibit "D", GAF could be held liable for property damage and/or personal injury occurring, in whole or in part, from the date of the inception of the Underlying Claims to the present. Thus, GAF could potentially be held liable for property damage and/or personal injury occurring in the policy period of each of the Insurance Policies in one or more claims made against GAF.

50. GAF is informed and believes, and therefore alleges, that, with respect to the claims listed in Exhibit "D", the Primary Insurance Defendants: (1) dispute GAF's contentions as set forth above; (2) contend that the Insurance Policies that each such carrier issued to GAF do not provide full defense coverage and protection for all of the claims asserted against GAF with respect to the Underlying Claims, including the claims listed in Exhibit "D", attached hereto; and (3) contend that such Insurance Policies do not obligate each such carrier to defend GAF in such matters.

51. WHEREFORE, for its Fourth Count, GAF requests that this Court grant a judgment declaring that:

- (1) Pursuant to each Insurance Policy issued by the Primary Insurance Defendants except those policies issued by Hartford and INA, each such

insurer shall be individually obligated to defend fully and to pay in full on GAF's behalf all expenses incurred in defense of all Underlying Claims, including those claims listed in Exhibit "D", attached hereto; and

- (2) With respect to those claims listed on Exhibit "D", attached hereto, Hartford and INA shall be individually obligated to defend fully and to pay in full On GAF's behalf all expenses incurred on and after January 1, 1996 in defense of those claims; and
- (3) GAF further requests that such judgment award to GAF its reasonable attorneys' fees and costs of this suit, and such other and further relief as the Court may deem just and proper.

FIFTH COUNT

(For Damages For Breach Of Duty To Defend Against
All Primary Insurance Defendants For Non-Included Claims)

52. Paragraphs 1 through 51 are repeated as if fully set forth herein.

53. GAF has incurred and continues to incur substantial expense in the resolution and defense of the Underlying Claims.

54. Each of the Insurer Defendants has failed or declined to honor their Duty to Defend with respect to the Non-included Claims, and GAF has reason to believe that each of the defendants will continue to decline to do so.

55. By failing or declining to honor their Duty to Defend GAF with respect to the Non-included Claims, the Primary Insurer Defendants are in breach of their respective Insurance Policies.

56. As a direct and proximate result of the Primary Insurer Defendants' breaches of their respective Insurance Policies, GAF has been deprived of the benefits of its liability insurance coverage. By depriving GAF of its insurance coverage, the Primary Insurer

Defendants have directly damaged GAF by forcing it to make expenditures in defense of the Non-included Claims that should be borne by the Insurer Defendants.

57. Further, as a result of such breaches of contract, GAF has been forced to incur, and will continue to incur, additional, reasonably foreseeable, consequential damages, including, but not limited to, the cost of attorneys' fees and other expenses in prosecuting this action, lost executive time, and the lost earnings on amounts wrongfully withheld by the defendants, which damages are not subject to any limits of liability stated in the Insurance Policies.

WHEREFORE, for its Fifth Count, GAF requests that this Court enter a judgment awarding GAF:

- (1) Compensatory and consequential damages sustained by GAF as a result of the Primary Insurance Defendants' breaches of their contractual Duty to Defend GAF with respect to the Non-included Claims, plus interest according to law, in amounts to be established through proof at trial; and
- (2) Reasonable attorneys' fees and other costs of this action, and such other and further relief as the Court may deem just and proper.

SIXTH COUNT

(For Damages For Breach Of Duty To Defend Against All Primary Insurance Defendants Except Hartford And INA For Included Claims Listed in Exhibit "D")

58. Paragraphs 1 through 57 are repeated as if fully set forth herein.

59. GAF has incurred and continues to incur substantial expense in the resolution and defense of the included Claims, listed on Exhibit "D", attached hereto.

60. Each of the Primary Insurance Defendants except Hartford and INA has failed or declined to honor its Duty to Defend with respect to the included Claims listed on Exhibit "D" attached hereto, and GAF has reason to believe that each such defendant will continue to decline to do so.

61. By failing or declining to accept their Duty to Defend GAF with respect to the included Claims, the Primary Insurance Defendants except Hartford and INA are in breach of their respective Insurance Policies.

62. As a direct and proximate result of the breaches by the Primary Insurance Defendants, except Hartford and INA, of their respective Insurance Policies, GAF has been deprived of the benefits of its liability insurance coverage, and has been directly damaged by forcing it to make expenditures in defense of the Included Claims listed on Exhibit "D" attached hereto, that should be borne by the Primary Insurance Defendants except Hartford and INA.

63. Further, as a result of such breaches of contract, GAF has been forced to incur and will continue to incur additional, reasonably foreseeable, consequential damages, including, but not limited to, the cost of attorneys' fees and other expenses in prosecuting this action, lost executive time, and the lost earnings on amounts wrongfully withheld by the defendants, which damages are not subject to any limits of liability stated in the Insurance Policies.

WHEREFORE, for its Sixth Count, GAF requests that this Court enter a judgment awarding GAF:

- (1) Compensatory and consequential damages sustained by GAF as a result of the breaches of the contractual Duty to Defend GAF by the Primary Insurance Defendants except Hartford and INA with respect to the included Claims listed on Exhibit "D" attached hereto, plus interest according to law, in amounts to be established through proof at trial; and
- (2) Reasonable attorneys' fees and other costs of this action, and such other and further relief as the Court may deem just and proper.

SEVENTH COUNT
(For Punitive Damages Against INA and Hartford)

64. Paragraphs 1 through 63 are repeated as if set forth in full herein.

65. Defendants Hartford and INA breached their duties of good faith to GAF by refusing or failing fully to perform their duties and obligations to defend and indemnify GAF with respect to the Underlying Claims.

66. Hartford and INA knew or recklessly disregarded the fact that there was no reasonable or flatly debatable basis for refusing or failing fully to honor and perform their duties to defend and to indemnify or for failing and refusing to acknowledge their obligations to GAF with respect to certain of the Underlying Claims.

67. In refusing or failing fully to perform their duties to defend and indemnify, and refusing to satisfy or failing to acknowledge their obligations to, GAF with respect to one or more of the Underlying Claims, the conduct of Hartford and INA was wanton, reckless, malicious and egregious.

68. As a result of Hartford's and INA's breach of their duties of good faith under both the Insurance Policies and the Defense Agreement, GAF has been forced to incur and will continue to incur, additional consequential damages (i.e., damages in excess of the Defense Agreement and Insurance Policy benefits), including the costs required to prosecute this action.

WHEREFORE, for its Seventh Count, GAF requests that this Court grant judgment against Hartford and INA for:

- (1) Punitive damages;
- (2) Actual money damages to be proven at trial, including but not limited to any and all consequential damages, plus interest according to law; and

- (3) Reasonable attorneys' fees and costs of this suit, and for such other and further relief as this Court may deem just and proper.

PITNEY, HARDIN, KIPP & SZUCH
Attorneys for Plaintiff
GAF Corporation

BY: _____



ROBERT G. ROSE

A Member of the Firm


Dated: August 27, 1996

JURY DEMAND

Plaintiffs demand a trial by jury of all issues.

PITNEY, HARDIN, KIPP & SZUCH
Attorneys for Plaintiff
GAF Corporation

BY: _____


ROBERT G. ROSE
A Member of the Firm

Dated: August 27, 1996

EXHIBIT A

THE UNDERLYING ENVIRONMENTAL CLAIMS AGAINST GAF

NEW JERSEY SITES AND CLAIMS

Berry's Creek (Carlstadt, New Jersey)

In or about October 1989, Morton Thiokol and Velsicol (the "Thiokol" litigation) filed complaints in the United States District Court in New Jersey alleging that certain alleged generators linked to the so-called "SCP-Carlstadt" site are responsible for contamination being remedied by plaintiffs in the "Berry's Creek" area. Plaintiffs seek, inter alia, the recovery of costs for the investigation and/or clean-up of the Berry's Creek site.

CEC Bridgewater Facility (Bridgewater, New Jersey)

Through 1989, GAF owned and operated a roofing granules coloring plant in Bridgewater, New Jersey. In March 1991, it was determined that hazardous substances have been released to the soil, surface water and groundwater at this location.

Chemical Control Corporation - Federal Claim (Elizabeth, New Jersey)

On or about March 11, 1987, GAF received an information request and notice from EPA under Section 104(e) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq. ("CERCLA") notifying GAF that it was considered a potentially responsible party ("PRP") with respect to the costs of investigation and remediation, and for natural resource damages, incurred by and to be incurred by EPA at the Chemical Control Corporation site in Elizabeth, New Jersey. On or about August 23, 1990, GAF became a signatory to a Consent Decree between the United States and approximately 180 companies, settling the EPA's claims against GAF and the other signatories. A complaint was filed in the United States District Court in New Jersey and the Consent Decree was approved by the Court on October 28, 1991.

Chemical Control Corporation - State Claim (Elizabeth, New Jersey)

The New Jersey Department of Environmental Protection ("NJDEP") notified GAF that it was a PRP for costs of investigation and remediation incurred by the State at the Chemical Control Corporation site in Elizabeth, New Jersey.

Chemsol
(Piscataway, New Jersey)

On or about January 10, 1992, GAF received a request for information from EPA pursuant to Section 104(e) of CERCLA advising GAF that it is considered a PRP with respect to contamination found in the soil, groundwater and wells at the Chemsol site in Piscataway, New Jersey. The allegations against GAF are that waste materials from GAF's Linden facility were disposed of at the Chemsol site between 1960 and 1965.

Flowers Property
(West Deptford, New Jersey)

In or about January 1989, a landowner advised GAF and NJDEP, pursuant to the New Jersey Spill Compensation and Control Act, that asbestos-containing material, allegedly originating from GAF's Gloucester City plant in the early 1970's, was found during excavation at the Flowers Property site. The Flowers Property operated as a permitted landfill to receive industrial trash, including asbestos, and was operated as such with the approval of the site owner. On May 6, 1991, NJDEP issued a Notice of Violation ("NOV") to GAF for the disposal of hazardous substances in violation of the New Jersey Spill Compensation and Control Act.

Frenkel v. GAF
(South Bound Brook, New Jersey)

On or about August 1, 1993, a complaint was filed against GAF in Superior Court of New Jersey, Law Division, entitled Frenkel v. GAF, docket no. L-14176-93. The complaint seeks, inter alia, recession of a contract for sale of property previously owned by GAF and related damages arising from GAF's alleged use of the property as a sanitary landfill.

G.E.M.S.
(Gloucester City, New Jersey)

On or about November 1, 1985, GAF received a request for information from EPA pursuant to Section 104(e) of CERCLA relating to a landfill owned and/or operated by G.E.M.S.

Global Landfill
(Old Bridge, New Jersey)

On or about February 6, 1991, GAF received a request for information letter from the NJDEP with respect to the presence of hazardous materials at the Global Landfill in Old Bridge, New Jersey. On or about March 25, 1991, GAF received Directive #2 from the NJDEP pursuant to the New Jersey Spill Compensation and Control Act which, under penalty of fines and the possibility of treble damages, directed GAF to investigate and remediate contamination at or associated with the Global landfill.

Gloucester City
(Gloucester City, New Jersey)

GAF owns a manufacturing plant located on Charles and Water Streets in Gloucester City, New Jersey, which was used by GAF to manufacture roofing and flooring grade felt materials. NJDEP has determined that GAF is responsible for the investigation and remediation of the site, which activities are continuing.

Helen Kramer Landfill
(Mantua Township, New Jersey)

On or about February 23, 1988, GAF received a request for information from EPA pursuant to Section 104(e) of CERCLA concerning GAF's use of various transporters alleged to have disposed of hazardous waste at the Helen Kramer landfill which allegedly operated from 1965 to 1982 in Mantua Township, New Jersey.

Kenney v. Scientific
(Edison, New Jersey)

On or about August 22, 1984, GAF was served with a complaint entitled Kenney v. Scientific filed in the Superior Court of New Jersey, Law Division, alleging private tort causes of action against GAF and approximately 650 additional parties. It is alleged that Scientific Inc. hauled wastes for GAF to the Kin-Buc landfill between 1972 and 1976. A global settlement has been entered by the parties and approved by the court. GAF has made its required contribution toward this settlement.

Kin-Buc Landfill
(Edison, New Jersey)

On or about September 12, 1984, GAF received notice from EPA identifying GAF as a PRP concerning the storage of waste at the Kin-Buc landfill in Edison, New Jersey. EPA and certain parties, including GAF, have settled this claim.

Linden Facility
(Linden, New Jersey)

During a meeting on January 24, 1986, NJDEP advised GAF that groundwater contamination was discovered at GAF's Linden Facility. NJDEP has notified GAF that it will be responsible for the investigation, containment, treatment and/or removal measures which will be undertaken to prevent the contamination from continuing to migrate to third-party properties. On June 16, 1989, the NJDEP entered into an Administrative Consent Order ("ACO") with GAF which directed GAF to investigate and remediate the contamination at issue.

Lone Pine Landfill
(Freehold Township, New Jersey)

In or about May 1985, GAF received notice from the EPA that it is considered a responsible party under CERCLA for the remediation of the Lone Pine landfill in Freehold, New Jersey. On February 23, 1993, GAF joined with other indirect users in entering into a settlement of this claim, the terms of which contain a reopener provision which may require the payment of additional monies in the future.

Marvin Jonas Transfer Station
(Sewell, New Jersey)

On or about May 7, 1990, GAF received a Multi-Site Directive naming GAF as a PRP at the Marvin Jonas Transfer Station site. Upon information and belief, the site was operated by Marvin Jonas from 1969 to 1981.

PJP Landfill
(Jersey City, New Jersey)

On September 28, 1988, GAF received an Information request letter from NJDEP advising that GAF is considered a PRP for past and future costs of the Investigation and-remediation at a site known as the PJP landfill located in Jersey City, New Jersey. On or about February 17, 1989, NJDEP issued a Directive under the New Jersey Spill Compensation and Control Act ("Spill Act") to GAF and approximately 50 other PRPs for additional clean-up costs. On or about August 22, 1989, NJDEP issued a Directive under the- Spill Act to GAF and approximately 50 other PRPs demanding payment for operation and maintenance costs associated with an interim remedy at the site. On or about May 7, 1990, NJDEP issued a Multi-Site Directive and Notice under the Spill Act regarding a number of sites including the PJP landfill. This Directive was substantially the same as the aforescribed August 22, 1989 Directive and was issued to approximately 100 additional PRPs, including GAF.

Price's Pit
(Pleasantville, New Jersey)

On or about April 1, 1985, GAF received a Department of Justice ("DOJ") notice concerning its responsibility under CERCLA for the capping of a landfill and construction of a facility to treat contaminated groundwater at the Price's Pit site near Pleasantville, New Jersey. GAF agreed to participate in a settlement of the action, entitled U.S. v. Price, which was resolved through a Consent Order. Additional litigation captioned Adkisson v. DuPont was also filed relating to this site.

Sayreville Landfill
(Sayreville, New Jersey)

On or about April 22, 1991, GAF received a Directive from NJDEP regarding remediation of the Sayreville Landfill. On or about November 23, 1994, a Complaint was filed in the United States District Court, Newark, New Jersey, by the Borough of Sayreville and certain private parties against GAF and other potentially responsible parties.

Scientific Chemical Processing, Inc.-Carlstadt
(Carlstadt, New Jersey)

On or about May 17, 1985, GAF received notice from EPA Identifying GAF as a PRP under CERCLA for the investigation and remediation of the "SCP-Carlstadt" site. Allegedly, GAF consigned certain liquid waste materials to SCP-Carlstadt. In or about September 1985, EPA entered into a Consent Order with over 100 parties, including GAF, to undertake an RI/FS at the site. Upon completion of the RI/FS, an administrative order pursuant to Section 106 of CERCLA was issued by EPA to forty-five (45) parties, including GAF, to implement an interim remedy at the site. All parties, including GAF, complied with this order. In 1990, parties liable for the remediation of Berry's Creek threatened suit against customers at this site for alleged contributions to the condition of that site.

Scientific Chemical Processing, Inc.-Newark
(Newark, New Jersey)

On or about February 12, 1985, GAF received notice from EPA that GAF is considered a PRP for the SCP-Newark site due to the alleged consignment of certain liquid waste by GAF to SCP-Newark. Pursuant to a March 1985 Consent Order to which GAF was a party, this site has been remediated. GAF contributed to clean-up costs and expenses. On or about September 18, 1988, GAF received notice of a new Participation Agreement designed to remediate the subsurface clean-up at this site.

Silsonix Corporation
(Irvington, New Jersey)

On or about April 27, 1992, EPA issued a request for information to GAF pursuant to Section 104(e) of CERCLA in connection with an investigation of the disposal of scrap film, silver and/or other precious metals at the Silsonix Corporation in Irvington, New Jersey.

South Bound Brook (Towpath)
(South Bound Brook, New Jersey)

GAF is the current owner of the Towpath site located in South Bound Brook, New Jersey. The site was used by GAF as a disposal area for asbestos-containing waste from the adjacent Main Street Site from approximately 1935 to 1968. In or about the 1970's at the direction of NJDEP, GAF implemented closure measures at the site. On or about September 1990, NJDEP's

Division of Solid Waste Management ("DSWM") issued a Notice of Violation ("NOV") to GAF requiring maintenance grade and cover at the site. GAF undertook certain remedial activities required by DSWM and submitted the engineering design for the cover and grade.

South Bound Brook (Main Street)
(South Bound Brook, New Jersey)

Until December 20, 1985, GAF owned an asphalt felt manufacturing facility located on Main Street, South Bound Brook, New Jersey. On December 19, 1985, GAF and NJDEP entered into an Administrative Consent Order requiring GAF to Investigate and remediate contamination at and around the site and the embankment of the Delaware and Raritan Canal.

South Bound Brook (Canal Road)
(South Bound Brook, New Jersey)

GAF is the owner of the Canal Road site located at 114 Canal Road in South Bound Brook, New Jersey. At the direction of NJDEP, GAF has undertaken and is continuing efforts to investigate and remediate the site and the embankment of the Delaware and Raritan Canal.

Stein v. GAF
(Gloucester City, New Jersey)

On or about September 20, 1989 an action was filed in Superior Court of New Jersey entitled Stein v. GAF, alleging that GAF was responsible for the presence of asbestos-containing material on or around eight (8) residential properties. The lawsuit was settled in 1991.

Syncon Resins
(South Kearny, New Jersey)

On or about September 15, 1986, GAF received a request for information from EPA pursuant to Section 104 of CERCLA identifying GAF as a PRP at Syncon Resins in South Kearny, New Jersey.

Tranatech Industries, Inc. v. A&Z Septic Clean
(Edison, New Jersey)

In August 1990, the owners and operators of Kin-Buc landfill filed an action entitled Transtech Industries, Inc. v. A&Z Septic Clean, Civil Action No. 2-90-2578(HAA), against GAF and other parties in the United States District Court for the District of New Jersey for the costs of investigating and remediating the Kin-Buc landfill.

University Avenue - Gloucester City
(Gloucester City, New Jersey)

Site investigations conducted by NJDEP in or about May and July 1987 revealed the presence of asbestos containing material on properties located near the South Branch Newton Creek

and resulted in the issuance of a Directive to GAF on or about October 14, 1987, which required investigation and remediation of the properties. These materials allegedly originated from GAF's Gloucester City plant and may have been disposed at various properties near University Avenue. On or about June 1990, GAF entered into an Administrative Consent Order with NJDEP requiring it to investigate and remediate the asbestos-containing materials.

Vanguard (Gloucester)
(Gloucester City, New Jersey)

GAF sold the Vanguard vinyl siding site located on Water Street in Gloucester City, New Jersey to Vanguard Vinyl Siding, Inc. on or about August, 1981. On or about November 27, 1992, GAF received an information request under §104(e) of CERCLA from EPA regarding the site. In or about April 1993, GAF received a Notice of Potential Liability from EPA under CERCLA based on GAF's former use of asbestos or asbestos-containing materials at the site. On or about May 20, 1994, EPA provided GAF with a draft Administrative Order on Consent requiring that GAF undertake a removal action at the site regarding asbestos and asbestos-containing materials and reimburse the EPA for past costs incurred by EPA at the site.

White Chemical Corporation
(Newark, New Jersey)

On or about July 10, 1991, GAF received an information request letter from the NJDEP notifying GAF that NJDEP was investigating the storage of hazardous specialty chemicals at White Chemical Corporation in Newark, New Jersey and that GAF has been identified as a PRP. GAF determined that it maintained only a supplier/customer relationship between it and White Chemical Corporation, which information was transmitted to the government.

CALIFORNIA
Omega Chemical
(Fontana, California)

In or about January 1995, California EPA issued a notice letter to GAF identifying it as a PRP regarding the Omega Chemical site, Fontana, California.

San Gabriel Valley (Area-1)
(San Gabriel, California).

In or about January 1988, GAF received a request for information from EPA pursuant to Section 104(e) of CERCLA concerning GAF's waste disposal practices in the San Gabriel Valley area. GAF has been identified as a PRP associated with environmental contamination in this area.

COLORADO
Lowry Landfill
(Denver, Colorado)

On or about September 4, 1984, GAF received notice from EPA that it was a PRP under CERCLA with respect to the clean-up and remediation of the Lowry Landfill. Upon information and belief, GAF contracted with a transporter which transported waste material to this site.

CONNECTICUT
Gallup's Quarry
(Plainfield, Connecticut)

On or about March 16, 1990, GAF received a request for information letter under Section 104(e) of CERCLA from EPA advising that GAF is considered a PRP for disposal of hazardous materials at the Gallup's Quarry site in Plainfield, Connecticut.

FLORIDA
Bay Drums
(Tampa, Florida)

On or about January 6, 1994, GAF received notice from EPA that is considered a PRP in connection with the presence of hazardous substances at Bay Drums Company, Tampa, Florida, a site engaged in waste disposal activities from 1960 through 1984.

Peak Oil
(Tampa, Florida)

On or about June 25, 1991, GAF received a notice from EPA that it considers GAF a PRP with respect to the presence of hazardous materials at the Peak Oil site in Tampa, Florida.

Sydney Mines
(Hillsborough County, Florida)

On or about February 10, 1989, GAF received a General Notice Letter from EPA notifying it that GAF is considered a PRP under CERCLA with respect to the presence of hazardous substances at the Sydney Mines site in Hillsborough County, Florida.

Tampa Stillyard
(Tampa, Florida)

In 1965, property was leased to a third-party which was returned upon termination of the lease at the end of 1980. Thereafter, it was learned that oil had leaked onto the property during the term of the lease and Florida Department of Environmental Protection initiated an investigation in 1982.

Taylor Road Landfill
(Hillsborough County, Florida)

On or about July 8, 1991, GAF received a request for information letter under Section 104(e) of CERCLA from EPA with respect to the presence of hazardous substances at -the Taylor Road Landfill. GAF is considered a PRP at the site.

Tri City Oil Conservationist Corp.
(Hillsborough County, Florida)

On or about November 7, 1989, GAF received a notice from EPA advising that GAF is considered a PRP under CERCLA with respect to the presence of petroleum products and fuel oil waste stored at the Tri-State Oil Conservationist Corporation facility in Tampa, Florida.

GEORGIA
Chickamanga Road Site
(Walker County, Georgia)

On or about August 14, 1984, EPA notified GAF that it is considered a PRP at the Chilckamanga Road site.

General Refining
(Garden City, Georgia)

On or about September 26, 1988, GAF received notice from EPA that it is considered a PRP under CERCLA with respect to the presence of hazardous substances discovered at the General Refining site in Garden City, Georgia. On information and belief, the site was in operation from 1961 to 1978. EPA sent a CERCLA Demand Letter to GAF and other PRPs requesting an Administrative Consent Order be entered by the potentially responsible parties to undertake clean-up of the site. EPA has expended costs for clean-up and expects to expend additional costs.

Marbleton Road
(Walker County, Georgia)

On or about August 14, 1984, EPA notified GAF that it is considered a PRP at the Marbletop Road site.

Mathis Brothers Landfill
(Kensington, Georgia)

On or about August 14, 1984, EPA notified GAF that it is considered a PRP with respect to the presence of hazardous materials at -the Mathis Brothers Landfill owned and operated by the Mathis Brothers in Walker County, Georgia.

Shaver's Farm Landfill
(Shavers, Georgia)

On or about August 14, 1984, EPA notified GAF that it is considered a PRP at the Shavers Farm Landfill.

South Marbleton Road
(Kensington, Georgia)

On or about February 22, 1992, GAF received notice from EPA identifying GAF as a PRP in connection with the South Marbletop site in Kensington, Georgia. EPA has required an RI/FS which is being performed by another PRP in order to investigate groundwater contamination.

ILLINOIS
Insta-Foam Products Facility
(Crest Hill, Illinois)

On or about January 23, 1991, GAF received notice from Insta-Foam Products alleging that contamination of Insta-Foam's site as Crest Hill, Illinois was caused in part by the disposal of materials originating from GAF. Insta-Foam has investigated environmental contamination at the site and demanded that GAF compensate it for investigative and remedial expenditures.

INDIANA
Bald Knob Landfill
(Mt. Vernon, Indiana)

On or about April 27, 1987, EPA notified GAF that it considered GAF a PRP under CERCLA with respect to the presence of hazardous substances found at the Bald Knob Landfill in Mt. Vernon, Illinois.

Enviro-Chem
(Zionsville, Indiana)

On or about July 29, 1987, EPA issued to GAF a request for information letter pursuant to Section 104(e) of CERCLA notifying that GAF in considered a PRP for this site.

Seymour Recycling
(Seymour, Indiana)

On or about October 14, 1987, GAF was served with a third-party complaint which named GAF and approximately ninety-nine (99) additional third-party defendants in an action arising from environmental contamination of the Seymour Recycling site in Seymour, Indiana. On or about October 26, 1987, GAF joined the Seymour Defense Group and paid certain assessments. This Defense Group negotiated a settlement to which GAF contributed.

KENTUCKY
Distler Farm Site & Brickyard Site
(Louisville, Kentucky)

On or about November 15, 1985, GAF received notice from EPA under CERCLA requesting information concerning GAF's involvement with the Distler Farm and Brickyard sites in Louisville, Kentucky, sites which are owned by Kentucky Liquid Recycling. On or about January 9, 1990, GAF was served with a third-party complaint in an action entitled Porter Paint Co. V. Aristocraft Corp., seeking recovery for costs associated with the investigation and remediation of the sites.

Lowrance
(Calvert City, Kentucky)

On or about June 2, 1989, sixteen (16) plaintiffs filed an action against local industrial plants, including GAF, alleging health injuries caused by defendants' alleged discharge of hazardous and toxic wastes into plaintiffs, properties causing personal injuries.

Maxey Flats Nuclear Disposal Site
(Morehead, Kentucky)

On or about December 1, 1986, EPA notified GAF pursuant to Section 104(a) of CERCLA that it is considered a PRP with respect to the storing of hazardous substances at the Maxey Flats Nuclear Disposal site in Morehead, Kentucky. Upon information and belief, this site operated from 1963 to 1977.

LOUISIANA
Tate Cove
(Evangeline Parish, Louisiana)

GAF was named as a defendant in -the action entitled State of Louisiana v. Barnett, an action which involved the alleged contamination to property formerly owned by the BWS Corp., now bankrupt, near Opelousas, Louisiana. The site has been remediated and GAF contributed toward settlement.

MARYLAND
Kane & Lombard Site
(Baltimore, Maryland)

On or about November 16, 1987, EPA issued to GAF a notice pursuant to CERCLA that GAF is considered a PRP with respect to certain hazardous substances at the Kane & Lombard site in Baltimore, Maryland.

Maryland Sand, Gravel & Stone
(Elkton, Maryland)

On or about February 1986, GAF was notified by a PRP Group for this site that GAF was a PRP. Upon information and belief, the site operated from 1969 to 1974. On or about June 11, 1986, EPA notified GAF that it considered GAF a PRP under CERCLA with respect to hazardous substances found at the MSGS site in Maryland. On or about February 24, 1988, a Consent Order between the EPA and forty (40) PRPs, including GAF, was entered with respect to the implementation of Phase I activities, and payment of EPA past costs. GAF has entered into an agreement to participate in the funding of Phase II activities at the site.

Spectron, Inc.
(Elkton, Maryland)

On or about June 30, 1989, and July 10, 1989, GAF received requests for information and demand letters from EPA pursuant to CERCLA concerning the presence of hazardous substances at the site of Spectron, Inc. in Elkton, Maryland. EPA has issued ACOs to PRPs, including GAF, with respect to this site for the removal action, short-term remediation, and long-term remedial efforts. GAF has contributed toward settlement of this liability.

MASSACHUSETTS
Millis Groundwater
(Millis, Massachusetts)

On or about November 24, 1989, GAF received a notice and demand letter from the Massachusetts Department of Environmental Protection ("MassDEP") requiring GAF to conduct an initial site investigation of its Millis roofing plant in order to determine the source of contamination of the Millis Township drinking wells. GAF has undertaken various activities in connection with the allegations of ground water contamination in compliance with the requirements of MassDEP.

Revere Chemical
(Massachusetts)

Silresim
(Lowell, Massachusetts)

On or about December 9, 1983, MassDEP filed an action naming GAF as a defendant with respect to hazardous materials found at the Silresim site in Lowell, Massachusetts, which, upon information and belief, commenced operations as a chemical waste reclamation site in 1971. GAF paid its share of settlement for surface cleanup and contributed to settlement of past cost claims.

MICHIGAN
Organic Chemicals Site
(Grandville, Michigan)

On or about March 23, 1994, GAF received notice from the Organic Chemical Steering Committee that GAF was considered a PRP at the Organic Chemicals Inc. site in Grandville, Michigan.

MINNESOTA
East Bethel Sanitary Landfill
(Anoka County, Minnesota)

On August 4, 1966, GAF was notified by Sylvester Brothers, owners of the East Bethel Sanitary Landfill, of environmental contamination at this site. The owners of the site have agreed to undertake a RI/FS. On or about March 8, 1990, GAF was served with a third-party complaint in a matter commenced by Sylvester Brothers.

Oak Grove Sanitary Landfill
(Anoka County, Minnesota)

On or about March 19, 1991, GAF was served with a Special Notice Letter and a Request for Information from the EPA pursuant to CERCLA notifying it that GAF is a PRP with respect to hazardous materials found at the Oak Grove Sanitary Landfill in Anoka County, Minnesota. In or about December, 1991, EPA issued an Order requiring the PRPs, including GAF, to undertake remediation of the site.

MISSOURI
Findett/Hayford LPP Bridge Road Site
(St. Charles, Missouri)

On or about September 28, 1988, Cadmus, Inc., part owner of a site located in St. Charles, Missouri, received a Request for Information letter from EPA under CERCLA due to the presence of hazardous substances at this site. Cadmus, Inc. reclaimed catalyst from GAF Chemicals during the 1970s. EPA demanded that the PRPs, including GAF, remediate the site.

Maline Creek
(St. Louis, Missouri)

On or about April 20, 1993, GAF received an information request from the EPA concerning an investigation of the Maline Creek. On or about October 1994, the Missouri Department of Natural Resources contacted GAF regarding an alleged release of asbestos into the Maline Creek area.

NEW YORK
American Felt & Filter
(Newburgh, New York)

In or about October 1991, GAF received notice from the owner of the American Felt & Filter site requesting that GAF contribute to the costs of investigation and remediation of the American Felt & Filter site which was formerly owned by GAF and sold to American Felt & Filter on or about July 31, 1978. American Felt & Filter alleges that the site was contaminated, in whole or in part, by the releases of hazardous substances during GAF's ownership of the site.

BASF-South 40 LPP Site
(Rensselaer, New York)

On or about April 24, 1986, GAF received notice from BASF Corporation concerning the presence of hazardous materials located at the "South 40" portion of GAF's former Rensselaer plant, which it sold to BASF Corporation on March 31, 1978. BASF Corporation alleges that GAF's on-site waste disposal activities resulted in environmental harm to the site. Upon information and belief, BASF Corporation entered into a Consent Order on or about September 1986 to conduct a Phase II Investigation.

Charles Street Lot
(Binghamton, New York)

On or about December 6, 1983, the New York Department of Environmental Conservation ("NYDEC") issued a first notice of claim to GAF for past and future costs associated with the investigation and potential remediation of GAF's Binghamton property. On or about May 25, 1994, GAF entered into an Order on Consent with the New York Department of Environmental Conservation to conduct a Preliminary Site Assessment.

Colesville Landfill
(Colesville, New York)

On or about March 1, 1985, NYDEC initiated an administrative complaint against Broome County and GAF, Index No. T-1202-84-85, alleging that GAF is a responsible party under Article 27, Title 13 of the State Environmental Conservation Law for the investigation and remediation of hazardous materials found at the Colesville landfill in Colesville, New York, which landfill, upon information and belief, was owned and operated by Broome County. In or about January 1987, GAF and Broome County entered a Consent Order and remediation and funding agreements whereby each agreed to pay for a portion of the response costs. GAF has also agreed to reimburse Broome County for certain past costs.

Hills v. Broome County
(Colesville, New York)

In or about June, 1985, and in connection with the NYDEC's investigation of the Colesville Landfill matter, GAF was impleaded in a tort action in the United States District Court for the Northern District of New York entitled Hills v. Broome County, Civil Action No. 84-CV-1033, as a third-party defendant. GAF has contributed toward settlement of the Hills action.

Pollution Abatement Services (PAS) - Oswego
(Oswego, New York)

On or about March 1, 1982, EPA notified GAF that it is considered a PRP under CERCLA with respect to the presence of hazardous substances discovered at the PAS-Oswego site in Oswego, New York. On or about August 6, 1987, the PRPs, including GAF, reached a settlement with NYDEC and the EPA regarding response costs incurred at this site. On or about March 13, 1991, EPA issued a General Notice for additional work to the PRPs, including GAF. On or about September 30, 1991, GAF entered into an Administrative Order on Consent with the EPA to conduct investigation and remediation at the site. On or about July 1994, GAF entered into an Administrative Order on Consent to conduct further investigation and remediation at the site.

Pollution Abatement Services - Fulton Terminal
(Fulton, New York)

On or about March 21, 1985, GAF received notice from NYDEC that PRPs at the PAS-Oswego site were also considered PRPs at the satellite sites owned and operated by PAS which includes Fulton Terminals, Clothier and Volney sites. On or about November 5, 1990, GAF entered into a Consent Decree to conduct response activities at the Fulton site. On or about September 26, 1986, GAF entered into a Consent Order to conduct removal activities at the Fulton site.

PAS-Clothier
(Granby, New York)

On or about March 21, 1985, GAF received notice from NYDEC that it is a PRP at the PAS-Satellite sites including Clothier. On or about April 28, 1986, GAF signed a Participation Agreement along with other PRPs at this size.

PAS-Volney
(Oswego County, New York).

On or about March 21, 1985, GAF received notice from NYDEC that it is a PRP at the PAS-Satellite sites including Volney. On or about September 28, 1990, GAF entered into an Administrative Order on Consent concerning response costs at the size.

Town of New Windsor v. Tesa Tuck Inc.
(New Windsor, New York)

On or about March 19, 1993 GAF received a Summons and Complaint in an action entitled Town of New Windsor v. Tesa Tuck Inc. et al., 92 Civ. 8754 (S.D.N.Y.). The Complaint alleges GAF disposed of, or arranged for the disposal of, hazardous substances at the Town of New Windsor landfill during the period from 1962 to 1976.

Tri City Barrels Company
(Port Crane, Broome County, New York)

By letter dated May 23, 1991, EPA advised that GAF is a PRP under CERCLA with respect to the investigation and remediation of this site. EPA alleges that GAF and other parties sent drums to this location for reconditioning, which operations are alleged to have occurred since the 1950's. On or about May 14, 1992, GAF and other parties signed an Administrative Consent Order with EPA to undertake the RI/FS at the site, which efforts are continuing.

Vailsgate
(Newburgh, New York)

On or about May 3, 1984, GAF received a request for Information from the EPA concerning waste disposal from GAF's operation of a Vailsgate, New York, flooring plant. EPA advised that it considered GAF a PRP for environmental conditions at the site.

NORTH CAROLINA
Seaboard Chemical
(Jamestown, North Carolina)

In or about July, 1991, the North Carolina Department of Environmental, Health and Natural Resources (DEHNR) notified GAF that it is considered a PRP under North Carolina General Statutes §130A, Art. 9, for response actions associated with the presence of hazardous substances at the former Seaboard Chemical facility in Jamestown, North Carolina. The contamination caused by the presence of the hazardous materials was discovered to be moving toward a tributary of the Deep River which feeds the Randleman Reservoir. GAF has contributed to the first phase clean up, including removing the hazardous substances stored in tanks, pipes and related equipment at the site. Investigation and remediation activities are continuing.

OHIO
Fields Brook
(Ashtabula, Ohio)

On or about July 7, 1986, CAP received a letter from the PRP Steering Committee for this site in Ashtabula, Ohio, identifying GAF, among others, as a PRP for a contaminated, stream bed which flows into Lake Erie.

OKLAHOMA
Hardage Landfill
(Criner, Oklahoma)

On or about May 10, 1990, GAF was served with a third-party complaint alleging responsibility for hazardous substances discovered at the Hardage Landfill near Criner, Oklahoma. On or about January 3, 1991, GAF entered into a settlement which covered all response costs.

PENNSYLVANIA
Boarhead Farm Site
(Bridgeton Township, Pennsylvania)

On or about June 13, 1988, GAF received a request for information letter from EPA under Section 104(e) of CERCLA relating to GAF's possible utilization of the Boarhead Farm waste disposal site in Bridgeton Township, Pennsylvania.

Butler Tunnel
(Pittston, Pennsylvania)

On or about December 30, 1985, GAF received a request for information letter under Section 104(e) of CERCLA issued by EPA notifying GAF that it is considered a PRP for hazardous substances found at the Butler Tunnel site in Pittston, Pennsylvania.

Chrin Landfill
(Northampton County, Pennsylvania)

On or about October 11, 1984, GAF received a request for information letter from EPA under Section 104(e) of CERCLA regarding disposal practices at its Whitehall facility and involvement as a PRP for hazardous materials found at the Chrin Landfill in Northampton County, Pennsylvania. On or about 1993, the EPA brought an action entitled U.S. v. Chrin, in the United States District Court for the Eastern District of Pennsylvania against several parties, including GAF, for recovery of past costs and declaratory judgment as to their future liability.

Cunard Lower Landfills
(Oplinger, Danielsville, Cunard Lower)
(Northampton County, Pennsylvania)

On or about December 12, 1983, GAF received a request for information letter issued under Section 104(e) of CERCLA informing GAF that it is considered a PRP for hazardous materials found at three (3) sites in Northampton County, Pennsylvania, including, the Oplinger Quarry Site, the Danielsville Quarry Site and the Cunard Lower Site.

Dorney Road/Oswald's Landfill
(Upper Macungie, Pennsylvania)

On or about September 2, 1988, EPA issued GAF notice that it is considered a PRP under CERCLA with respect to hazardous materials discovered at the Dorney Road Site in Upper Macungie, Pennsylvania. The Pennsylvania Department of Environmental Protection demanded that PRPs contribute to past costs and agree to perform future remediation. On or about January 25, 1993, GAF, along with other PRPs entered Into a Consent Decree in an action entitled United States v. Atlas Minerals and Chemicals, (E.D.Pa.) in settlement of past and future response costs.

Erie Plant
(Erie, Pennsylvania)

Based upon allegations of buried drums, Pennsylvania Department of Environmental Protection has required the preparation of a Site Assessment Plan, which was submitted by GAF pursuant to an Administrative Consent Order dated June 26, 1992.

Heleva Landfill
(North Whitehall Township, Pennsylvania)

On or about January 27, 1988, GAF received a request for information letter from EPA under Section 104(e) of CERCLA with respect to the Heleva Landfill in North Whitehall Township, Pennsylvania. Upon information and belief, the Heleva Landfill operated from 1967 to 1981. On or about February 26, 1988, GAF was named as a defendant in an amended complaint brought by private parties for the recovery of response costs associated with the investigation and remediation of this site.

Metro Container
(Trainer, Pennsylvania)

On or about February 6, 1990, GAF received a notice from the Metro PRP Group that it may be a PRP with respect to contamination of the Metro Container Site located in Trainer, Pennsylvania. Upon information and belief, Metro Container used this site as a recycling and reclaiming facility for used drums for approximately twenty (20) years.

Mill Creek Dump
(Mill Creek Township, Pennsylvania)

On or about September 29, 1986, GAF received a letter from the Steering Committee for the Mill Creek Dump Site located in Mill Creek Township, Pennsylvania contending that GAF had been identified as a PRP under CERCLA for the presence of hazardous materials at the site. In or about September 1990, GAF received a request-t for information letter from EPA under Section 104(e) of CERCLA concerning GAF's association with this site.

Novak Landfill
(South Whitehall Township, Lehigh Co., Pennsylvania)

On or about September 11, 1986, GAF received notice from EPA under Section 104(e) of CERCLA that it is considered a PRP with respect to the presence of hazardous substances located at the Novak Landfill in South Whitehall Township, Pennsylvania. Upon information and belief, the site operated as a landfill from approximately 1950. On or about December 20, 1988, GAF and other PRPs entered into an Administrative Order by Consent regarding the Remedial Investigation/Feasibility Study for the site. GAF has contributed to these efforts. On or about May 2, 1994, GAF received a special notice letter from the EPA apprising GAF of its potential liability for response costs including remedial design/ remedial action.

Old Forge Landfill
(U.S. V. Iacavazzi)
(Scranton, Pennsylvania)

On or about December 2, 1985, GAF was served with notice that it was a PRP under CERCLA with respect to the finding by EPA of hazardous substances at the Old Forge Landfill Site in Scranton, Pennsylvania. On or about 1989, the United States sued GAF and other PRPs to recover response costs. On or about 1992, GAF entered into a Consent Decree to resolve this claim.

Oliver Landfill
(Waterford Township, Pennsylvania)

On September 1, 1994, a notice was received by GAF from Pennsylvania Department of Environmental Protection identifying it as a PRP regarding the Oliver Landfill.

Piccolini
(Scranton, Pennsylvania)

On or about February 13, 1987, GAF was sued as a third-party defendant in a consolidated action entitled Piccolini v. Simon Wrecking and Mercantile Financial Co. v. Simon's Wrecking concerning a toxic tort claim brought by persons who lived in homes proximate to the Old Forge Landfill and an action brought by the mortgagee from the landfill property. On or about May 30, 1989, GAF entered into a Settlement Agreement and Release resolving these claims.

Reeser's Landfill
(Lehigh County, Pennsylvania)

On or about April 6, 1988, GAF received a request for Information letter from EPA under Section 104(e) of CERCLA concerning the disposal of industrial waste at Reeser's Landfill.

Stotler Landfill
(Altoona, Pennsylvania)

In or about June 1991, GAF received notice from Delta Quarries & Disposal, Inc. of GAF's potential association with the Stotler Landfill in Scranton, Pennsylvania. An action was filed in the United States District Court for the Western District of Pennsylvania entitled Delta Quarries & Disposal, Inc. v. ABC Mack Sales, Inc., et al. for the recovery of clean-up costs associated with the remediation of this site. GAF is a defendant in this lawsuit. On or about January 8, 1993, GAF entered into a Joint Tortfeasor Release and Settlement Agreement resolving the action.

RHODE ISLAND
Picillo Landfill
(Coventry, Rhode Island)

In or about December 1981, EPA served notice upon PRPs under CERCLA with respect to the presence of hazardous materials discovered at the Picillo Landfill in Coventry, Rhode Island. A RI/FS has been performed and EPA has demanded past costs as well as the performance of a RD/RA. Other related claims have been asserted for property damage and/or personal injury by third parties.

O'Neil v. Picillo
(Coventry, Rhode Island)

In a related cost recovery action brought by the State of Rhode Island entitled in O'Neil v. Picillo, GAF settled with a contribution toward clean-up costs at the Picillo landfill. In a related action in United States District Court for the District of Rhode Island for past costs at the Picillo landfill, GAF has reached a settlement with plaintiff.

SOUTH CAROLINA
Carolawn Site
(Clover, South Carolina)

On or about May 25, 1994, GAF was notified by the Carolawn PRP Group that it was a PRP at the Carolawn site in Clover, South Carolina.

TENNESSEE
Amnicola Dump
(Chattanooga, Tennessee)

On or about November 22, 1985, EPA issued GAF a request for information letter under Section 104(e) of CERCLA concerning the presence of certain hazardous substances discovered at the Amnicola Dump in Chattanooga, Tennessee. EPA issued a Special Notice to GAF, and others, directing that response actions be taken.

North Hawthorne Dump
(Hamilton County, Tennessee)

On or about December 19, 1994, a notice was issued by Tennessee Department of Environmental Conservation identifying GAF as a PRP regarding the North Hawthorne Dump, Hamilton County, Tennessee.

Novacor (Chattanooga Facility)
(Chattanooga, Tennessee)

On or about December 1, 1980, GAF sold certain of its business assets, including its Chattanooga manufacturing plant and real estate to Polysar, Inc. and Polysar International. Subsequently, BASF Corporation purchased a portion of the site. On or about March 16, 1993, Novacor Chemicals Inc. (alleged successor, to Polysar) brought an action against GAF seeking contribution in connection with remediation of the site.

TEXAS
ArChem Company Site
(Houston, Texas)

On or about April 1, 1993, GAF received notification that the Texas Water Commission had determined that a release or threatened release of hazardous substances existed at the site and that GAF has been Identified as a PRP.

Martinez v. Arco
(Harris County, Texas)

In 1991, a claim was filed arising out of the treatment, storage or disposal of hazardous substances relating to Empak, Inc. in Harris County, Texas. On or about November 24, 1992, a demand for contribution to the settlement of that action was communicated to GAF.

Motco
(LaMarque, Texas)

In or about October 1984, EPA issued GAF notice that it is considered a PRP with respect to hazardous waste products discovered at the MOTCO site in LaMarque, Texas. In a related federal action, in United States v. U.T Alexander, the United States brought an action against Monsanto and others to recover costs expended at this site. Monsanto has impleaded GAF into this lawsuit.

Odessa Drum
(Odessa, Texas)

On or about September 17, 1992, GAF received notice from the EPA that it was a PRP at the Odessa Drum Co. Site. On or about August 23, 1994, GAF entered into an Administrative Order on Consent concerning this site.

Sheridan Site
(Hempstead, Waller County, Texas)

On or about September 17, 1984, GAF received a notice of its potential responsibility from the Steering Committee met up to effect remediation of the contamination from hazardous substances at the Sheridan Site in Hempstead, Texas. On or about February 6, 1989, EPA issued GAF a notice/information request letter under CERCLA relating to this site.

Tex Tin Site
(Texas City, Texas)

On or about September 18, 1989, EPA issued GAF a request for information letter under CERCLA regarding the presence of hazardous substances at the Tex Tin Site, a tin and copper smelting facility located in Texas City, Texas, operating since the 1940s, which identified GAF as a PRP.

WEST VIRGINIA
Artel Chemical Site
(Nitro, West Virginia)

On or about April 20, 1989, GAF received notice from EPA under CERCLA requesting information concerning GAF's possible involvement with the Artel Chemical Site in Nitro, West Virginia.

THE FOLLOWING SITES ARE ADDITIONS AS PER THE AMENDED COMPLAINT:

PB & S CHEMICAL COMPANY, INC.

(Knoxville, TN)

On or about December 11, 1995, correspondence was forwarded by counsel for PB & S Chemical Company purportedly giving notice under CERCLA of a claim based upon certain alleged environmental conditions at a facility in Knoxville, Tennessee sold by GAF, as successor to Burkart Schier by merger, to PB & S Chemical Company on or about August 27, 1977. The claim relates to alleged contamination at the facility allegedly resulting from solvent and other material handling practices of GAF and Burkart Schier Chemical Company.

LOEFFEL LANDFILL

(Nassau, New York)

On July 18, 1995, the Attorney General of the State of New York forwarded correspondence alleging that GAF is a PRP at the Loeffel Landfill in Nassau, Rensselaer County, New York. It is alleged that used oil may have been collected from a GAF owned facility which was disposed of at the landfill site on unspecified dates in unspecified quantities.

INTERNATIONAL PAPER CORPORATION

(Binghamton, New York)

In 1991 GAF sold to Anitec Imaging Corp. a facility in Binghamton, NY on which is alleged to have existed a variety of environmental conditions. On or about March 12, 1995, an action was commenced against GAF by International Paper Corporation, as successor in interest by way of merger to Anitec, in U.S. District Court for the Northern District of New York seeking reimbursement for environmental investigation and cleanup costs.

SC HOLDINGS INC. V. A.A.A. REALTY CO., et al

(Cinnaminson Landfill, Cinnaminson, NJ)

On or about December 8, 1995, GAF was served with a third party complaint naming it and numerous other parties as PRP's in a cost recovery action relating to unspecified environmental conditions at the Cinnaminson Landfill, also referred to as the Cinnaminson Groundwater Contamination Site.

MIDDLESEX LANDFILL

(Middlesex, New Jersey)

In or about March, 1995, GAF was informally contacted regarding allegations by several PRP's, including the municipality of Middlesex, New Jersey, that to the extent such PRP's may be liable for conditions at the Middlesex Landfill, they would be asserting a claim against GAF for contribution for such liabilities.

HINSON CHEMICAL SUPERFUND SITE

(Lake Wylie, South Carolina)

On or about June 28, 1995, GAF received notice that USEPA considers GAF a PRP at Hinson Chemical Superfund Site located in Lake Wylie, SC. It is alleged that materials were sent by GAF through SEPCCO of Charlotte, North Carolina for disposal or recycling at the Hinson facility and that there was a subsequent release or threat of release of hazardous substance at the Hinson facility, necessitating removal and other response actions and resulting in pollution of groundwater and the environment.

LCP PROPERTY

(Linden, New Jersey)

On or about November 16, 1995, GAF received a telephone call from counsel for Hanlin PLC and was advised that Hanlin PLC is in bankruptcy and that creditors of the bankrupt estate, including the U.S. Department of Justice, may be pursuing a claim on behalf of the estate against GAF relating to conditions or liabilities arising from the former LCP property in Linden, New Jersey.

THE FOLLOWING SITES ARE ADDITIONS AS PER THE THIRD AMENDED COMPLAINT:

**SC Holdings, Inc. v. A.A.A. Realty Co., et al, No. 94-947(GEB)
(D.N.J.) (Cinnaminson Landfill)**

Plaintiff, SC Holdings, Inc. ("SCH") is the owner of a sanitary landfill in Cinnaminson, New Jersey. SCH and its predecessors operated the site from approximately the late 1950's until it was ordered closed in 1980 by the N.J.D.E.P. In 1984, SCH was ordered by the U.S.E.P.A. to investigate and remediate the site. The site has been listed on the National Priorities List as the Cinnaminson Groundwater Contamination Site and covers approximately 400 acres.

On February 27, 1995, SCH filed suit against a group of defendants seeking to recover all costs associated with the site. On November 30, 1995, SCH filed a Third-Party Complaint against GAF and other defendants. SCH has alleged that the former GAF photo lab located in Philadelphia disposed of waste using a transporter named Quickway, Inc. Quickway allegedly transported certain waste to the Cinnaminson Landfill. The GAF waste is described as consisting of small dry plastic containers that held undeveloped film, discarded photographic-related paper, and other industrial plant trash.

**Bridgestone/Firestone, Inc. v. Board of County Commissioners, No. AMD94-2259
(D.M.D.) (Woodlawn Landfill)**

This case involves the Woodlawn Landfill, a former municipal landfill in Cecil County, Maryland. Plaintiff, Bridgestone/Firestone, Inc., operates a plant near the landfill and is responsible for the vast majority of waste disposed at the site. Bridgestone/Firestone has conducted a remedial investigation/feasibility study for the Woodlawn site and will implement remedial action estimated to cost approximately \$30 million. In its Third Amended Complaint filed May 24, 1996, Bridgestone/Firestone is seeking contribution from approximately 80 other alleged generators, including GAF. These companies were added to Bridgestone/Firestone's Complaint because they are alleged to be responsible for wastes transshipped to the Woodlawn Landfill site from a former Maryland solvent recycling facility known at various times as Galaxy Chemicals, Inc., Spectron, Inc. and Solvent Distillers, Inc.

The Woodlawn Landfill is a 38 acre site located in Cecil County, Maryland, owned and operated by Cecil County. It received wastes containing allegedly hazardous constituents from numerous parties from the early 1950's to 1980. During the period of operation, it received industrial, commercial, agricultural and municipal waste. In or around 1981, Bridgestone/Firestone, Inc., in cooperation with the State of Maryland, Cecil County and the U.S. EPA, capped, seeded and graded certain areas of the landfill. The site was placed on the National Priorities List on July 22, 1987. On December 28, 1988, Bridgestone/Firestone, Inc. signed a Consent Order with the U.S. EPA and funded a \$4,500,000 Remedial Action/Feasibility Study.

EXHIBIT B
(Original Complaint)

GAF INSURANCE POLICIES

| | <u>Policy No.</u> | <u>Insurance</u> <u>Carrier</u> | <u>Term</u> |
|-------------------------|-------------------|------------------------------------|---------------------|
| Primary Policies | | | |
| 1. | CLL 564203 | Commercial Union | 10/23/42 - 10/23/43 |
| 2. | LGC 635 | Chubb Indemnity | 10/26/42 - 01/01/44 |
| 3. | LGC 1250 | Chubb Indemnity | 10/23/43 - 01/01/44 |
| 4. | LGC 1025 | Chubb Indemnity | 01/01/44 - 05/01/44 |
| 5. | LGC 1026 | Chubb Indemnity | 01/01/44 - 05/01/44 |
| 6. | LGC 1240 | Chubb Indemnity | 05/01/44 - 05/01/47 |
| 7. | LGC 1241 | Chubb Indemnity | 05/01/44 - 05/01/47 |
| 8. | LB 4122 | IINA | 05/01/49 - 05/01/52 |
| 9. | LB 4204 | IINA | 05/01/52 - 05/01/61 |
| 10. | LB 29116 | INA | 05/01/61 - 05/01/67 |
| 11. | LAB 21620 | INA | 05/01/67 - 05/01/70 |
| 12. | GAL 59936 | INA | 05/01/67 - 05/01/68 |
| 13. | SRL 2231 | INA | 05/01/70 - 05/01/75 |
| 14. | 10 CY B49704E | Hartford | 11/01/81 - 11/01/82 |
| 15. | 10 CY B49713E | Hartford | 11/01/82 - 11/01/83 |
| 16. | 10 CY B49722E | Hartford | 11/01/83 - 11/01/84 |

GAF INSURANCE POLICIES

(continued)

| <u>Policy No.</u> | <u>Insurance Carrier</u> | <u>Term</u> |
|------------------------|------------------------------|---------------------|
| Excess Policies | | |
| 35. CL 12475 | Lloyd's | 05/01/55 - 05/01/56 |
| 36. CL 12886 | Lloyd's | 05/01/56 - 08/01/56 |
| 37. CL 13105 | Lloyd's | 08/01/56 - 05/01/58 |
| 38. CL 14140 | Lloyd's | 05/01/58 - 05/01/61 |
| 39. S 10818 | Commercial Union | 05/01/61 - 05/01/64 |
| 40. E15-8096-001 | Commercial Union | 05/01/64 - 05/01/67 |
| 41. 020094900 | Lloyd's | 11/01/79 - 11/01/82 |
| 42. 63-008-303 | Northbrook | 11/01/81 - 11/01/82 |
| 43. 020138500 | Lloyd's | 11/01/81 - 11/01/82 |
| 44. 020143800 | Trenwick | 11/01/81 - 11/01/82 |
| 45. 020151400 | Lloyd's | 11/01/82 - 11/01/83 |

EXHIBIT B (continued)

The following policies are additions as per the Second Amended Complaint.

| <u>Policy No.</u> | <u>Insurance Carrier</u> | <u>Term</u> |
|-------------------|--------------------------|-----------------|
| 1. CC #5661 | London Market Companies | 5/1/56 - 5/1/57 |
| 2. CC #5726 | London Market Companies | 8/1/56 - 8/1/59 |
| 3. CC #5940 | London Market Companies | 5/1/58 - 5/1/61 |

EXHIBIT B (continued)

The following policies are additions as per the Third Amended Complaint.

- A) 5/1/55-5/1/56: Lloyd's Policy #CL12476;
- B) 5/1/56-8/1/56: Lloyd's Policy #12887;
- C) 8/1/56-5/1/58: Lloyd's Policies #CL13106, #CL13107; and #CL13108; Certain Companies Policies #5727; #5728; and #5729;
- D) 5/1/58-5/1/61: Lloyd's Policies #CL14141; #CL14142; CL14143; CL14144; and CL14145; Certain Companies Policies #5941; #5942; #5943; and #5944; #5945
- E) 5/1/61-5/1/64: Continental Casualty Policy #RDX9561724
- F) 5/1/64-5/1/67: Lloyd's Excess Policy 594/U93543; INA XBC #1861;
- G) 5/1/67-5/1/70: Commercial Union Policy #E15-8096-002; Lloyd's 594/U20489; XBC41610;
- H) 5/1/70-5/1/73: INA XCP3686; Lloyd's Policy #576/UE2812900;
- I) 5/1/73-5/1/76: Aetna Policies #01XS 1398WCA; 01WXN408; 01WXN1015;
- J) 5/1/76-11/1/78: Lloyd's Policies #543/116598; #543/116711; #543/116811; 51044/77; Companies Insurance Policy 543/116598; National Union Fire Policies #1186568; #1229658;
- K) 11/1/78-11/1/81: Lloyd's Policies #543/53552/78; #543/53553/78; 552/184050100; Certain Company and PSAC policies Policies #543/53552/78; #543/53553/78; 552/184050100; Lloyd's #552/184220300 (CC and PSAC policies #552/184220300
- L) 11/1/81-11/1/82: Lloyd's Policy # 020138600;
- M) 11/1/82-11/1/83: Lloyd's Policy # 020151500.

EXHIBIT C

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 1986 by and among GAF Corporation (GAF) and Insurance Company of North America (INA), National Union Fire Insurance Company of Pittsburgh, PA (AIG), and Hartford Accident and Indemnity Company (Hartford) (individually and collectively, the insurers).

PREAMBLE

1. INA, AIG and Hartford provided primary comprehensive general liability insurance to GAF during the respective periods of May 1, 1947 through April 30, 1975 (INA); November 1, 1979 through October 31, 1981 (AIG) and November 1, 1981 through October 31, 1984 (Hartford);

2. GAF, for all purposes relevant herein, is responsible for the administration of the insurance coverage formerly written by the Home Insurance Company and its related companies on a primary level for the period of May 1, 1975 through October 31, 1979 and is self-insured with respect only to environmental insurance coverage subsequent to October 31, 1984;

3. GAF has been presented with claims, has been named as a potentially responsible party in administrative proceedings by the United States Environmental Protection Agency and/or various state agencies charged with the enforcement of environmental statutes and has been named as a defendant in lawsuits, all as a result of its alleged involvement in the generation, handling, storage and/or disposal of hazardous

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

substances and wastes, including those claims, proceedings and lawsuits listed on Exhibit A attached hereto (hereinafter collectively referred to as "Claims");

4. The insurers are in the process of reviewing policies, court papers and other material relevant to the issue of coverage and have not yet agreed on the extent to which GAF is entitled to defense and indemnity in the aforementioned Claims;

5. The parties recognize that the various Claims against GAF may raise certain case specific issues of fact and law;

6. The parties wish to avoid any insurance coverage litigation and believe that a compromise agreement as to their respective responsibilities for defense of the pending Claims, and such future Claims as would come within the scope of this Agreement (hereinafter called "Future Claims") would be to the mutual advantage of the parties;

7. The parties wish to establish a mechanism for:

(a) the orderly review and evaluation of the facts, applicable law and insurance policy language with respect to GAF's Claims and Future Claims in order to determine responsibility, if any, for defense and indemnification;

(b) the efficient management of the defense of those Claims and Future Claims for which an agreement concerning the responsibility to defend has been reached; and

(c) prompt resolution of issues and disputes concerning the rights and obligations of the parties under this Agreement.

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

NOW THEREFORE in consideration of the foregoing and of the mutual promises hereinafter set forth, it is agreed as follows:

AGREEMENT

1. Scope - This Agreement applies to all Claims and Future Claims against GAF.

2. Reservation of Rights - Except as hereinafter set forth, the parties fully reserve all rights and obligations with regard to all issues of defense and indemnity. All parties accept all other parties' reservations of rights and no waiver or estoppel shall arise as a result of the execution of this Agreement or any delay in its having been undertaken nor shall any insurance policy exclusion or other limitation be considered waived.

3. Defense - The insurers agree to pay on behalf of GAF or reimburse GAF or Hartford as the case may be for covered defense costs in accordance with the allocated percentages set forth in Exhibit A to this Agreement. Said percentages were calculated by computing the total number of months between the first date of GAF involvement and the first notice of Claim to GAF by any claimant. If an initial investigation by GAF and/or the insurers failed to reveal an exact or approximate initial date of GAF involvement, then the initial date for computing the percentage share of defense costs is the date the site in question first accepted commercial or industrial waste if known and, if not known, the date the site began operation.

After the total number of months, as described above, was computed, each party was assigned a percentage share of

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

covered defense costs based upon, as the numerator, the number of months of the parties' respective coverage periods as described in the first and second paragraphs of the Preamble of this Agreement which fall within, as the denominator, the total number of months from first GAF involvement, first acceptance of commercial or industrial waste or the date the site began in operation (whichever is applicable as set forth above) ~~to the first notice of Claim to GAF by any claimant.~~ The parties agree that the percentage allocation listed in Exhibit A may be modified in accordance with Paragraph 7 below.

~~The parties further agree that Exhibit A will be~~ amended to add Future Claims and the percentage allocations therefore calculated in accordance with this Agreement. The parties also further agree that the method of allocating defense costs is the result of negotiation and compromise and is not to be construed as a statement of any party's position regarding the interpretation of a liability insurance contract and shall not be given any precedential effect in any context other than that encompassed by this Agreement. With respect to Future Claims, the insurers reserve all rights to assert that there is no duty of defense owed to GAF for any specific Future Claim and any reference to allocation of defense costs for Future Claims is not to be construed as an admission that the insurers have agreed to defend any specific Future Claims.

4. Evaluation of Coverage Issues and Management of Defense

(a) Coverage Evaluation - Defense Management Committee - INA, AIG, Hartford and GAF shall each designate a representative to serve on a committee (hereinafter "Committee") which shall meet or confer, either in

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

person or otherwise, in such a manner as they deem appropriate. The purpose of the Committee is to establish a continuing dialogue between GAF and the insurers to discuss and to attempt to resolve all issues and disputes regarding coverage, management of defense and implementation of this Agreement.

(b) Meetings-Priority of Claims - prior to the first meeting of the Committee, GAF shall present to the insurers an agenda of Claims from Exhibit A in an order which reflects GAF's opinion as to the priority in which the Claims should be evaluated. Thereafter, the Committee shall convene and commence discussions to attempt to determine the obligations, if any, of the insurers to indemnify GAF for its liability resulting from these Claims.

(c) Future Claims - the Committee shall review and discuss new Claims against GAF for which GAF asserts that it is entitled to defense and/or indemnity.

(d) Management of Defense - the Committee shall monitor the activities of lead defense counsel, determine whether costs submitted are covered defense costs, review the reasonableness of covered defense costs and address such issues as may arise concerning litigation and settlement strategy or any other matter which the Committee deems appropriate.

(e) Negotiation Process - the parties agree to use their best efforts to reach a prompt resolution of any request for defense or any dispute which may arise

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

under this Agreement and to adhere to a reasonable agenda at meetings of the Committee. It is understood that the negotiation process may involve requests for additional information and documentation, consultation with management and/or submission of certain matters to management for approval. However, the parties each agree that they will seek to expedite resolution of disputes and requests to the greatest extent possible.

5. Lead Defense Counsel - The parties agree that GAF shall choose the lead defense counsel for all Claims and Future Claims. Where appropriate, the lead defense counsel may engage other counsel to render assistance in connection with Claims and Future Claims but only the reasonable counsel fees charged by the lead counsel shall be included as a covered defense costs. Lead defense counsel shall meet or confer with and report to GAF and the insurers in such manner and at such intervals as the parties deem appropriate. Lead defense counsel shall maintain complete and accurate records with respect to each Claim and Future Claim including, but not limited to, all expenditures made in connection therewith. All such records shall be made available on reasonable request to any party to this Agreement. In addition, any party may require the lead defense counsel to provide that party, at the party's expense, with copies of correspondence, reports, discovery documents, pleadings and other such material. For reasons of economy and efficiency, all such requests for records or documents shall be made through GAF. GAF shall forward Claims and Future Claims to the lead counsel of its choosing and at the same time shall notify all insurers that such Claims and Future Claims have been filed or presented and the name of the lead defense counsel retained by GAF in that matter. GAF shall also keep

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

its excess carriers informed to the extent necessary and appropriate with respect to all Claims and Future Claims.

6. Covered Defense Costs - Covered defense costs shall include the reasonable counsel fees charged by the lead defense counsel, litigation expenses and other expenses such as court costs, depositions, investigation costs, witness fees, medical examinations and steering committee or PRP "membership" or administrative fees and expenses, that are directly attributable to the defense of Claims and Future Claims. ~~Covered defense costs shall also include the cost of studies, reports or opinions recommending remedial action, whether such studies, reports or opinions are performed on GAF's behalf or on behalf of all or some of the PRPs in a particular Claim or Future Claim (if the latter, then GAF's proportionate share of such costs), except that costs of remediation studies, reports or opinions done before the claimant does a remediation study, report or opinion are not covered defense costs but rather are considered indemnity costs. Covered defense costs do not include any costs or expenses incurred internally by GAF in monitoring or assisting in the defense of any of the Claims or Future Claims, with the following exceptions:~~

- a. The reasonable costs of travel and expenses by Leonard Pasculli or his designee (but in any event only one person's costs) to attend steering committee meetings, administrative hearings or other meetings or proceedings which GAF determines, in its discretion, should be attended by counsel to protect the interests of GAF.
- b. The reasonable hourly fees and expenses of Mr. Charles Bien for the services of Mr. Bien in the capacity of an expert consultant or prospective expert witness.

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

7. Modification of Allocation of Defense Costs - If in the course of ongoing investigation a party becomes aware of facts indicating that the dates set forth in Exhibit A for Claims are not, in fact, the dates of GAF's involvement, the facts upon which this judgment is based shall be presented in writing to the other parties for consideration. If it is agreed by the Committee that an insurer shall be permitted to decrease its allocable share or to withdraw from participation in the defense of that Claim, the percentage shares of the remaining insurers, including the Home policy years, ~~and GAF as a~~ ~~self-insured~~ for the period after 10/31/84, shall be re-apportioned according to the formula set forth in Paragraph 3 above and utilized in allocating percentage shares set forth in Exhibit A. In the event a party to this Agreement enters into bankruptcy, receivership or similar status, the remaining parties shall bear the bankrupt party's share, and the remaining parties' shares shall be recalculated in accordance with the formula set forth in Paragraph 3 as if the period of the bankrupt party's coverage was not included.

8. Dispute Resolution - It is the parties' intention that any dispute arising concerning the terms, meaning or implementation of the Agreement or concerning the party's rights and obligations with respect to defense for any Claim or Future Claim, shall be determined consensually if possible, and if not possible, by binding arbitration. Notwithstanding the foregoing, the parties agree that the issue of whether or to what extent the insurers shall pay indemnity costs shall not be subject to arbitration. If at any time after the parties have convened, GAF or one or more of the insurers is of the opinion that a voluntary resolution of a dispute will not be reached, then GAF or said insurer(s) shall notify all other parties in

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

writing of an intention to submit the case to binding arbitration as to GAF and said insurer(s) pursuant to the following procedure:

(a) The demand for arbitration shall include the name of an arbitrator to be appointed by the party demanding arbitration together with a statement of the matter in controversy. Within thirty (30) days of such demand, the other party shall name an arbitrator and the two arbitrators so selected shall name a third arbitrator within thirty (30) days of the date both arbitrators have been named.

(b) Each party shall bear its own arbitration costs and expenses.

(c) The arbitration hearing shall be held at a time and place to be decided by the arbitrators on forty-five (45) days notice to the parties.

(d) At least thirty (30) days prior to the hearing, the party demanding arbitration shall submit to the arbitrators and to the other party a statement of issues presented, statement of facts and memorandum of law not to exceed thirty (30) pages in length. The other party to the proceeding shall submit to the arbitrators and to the party demanding arbitration a responding statement of issues presented, statement of facts and memorandum of law at least five (5) days prior to the arbitration hearing. The response shall also not exceed thirty (30) pages in length. At least twenty (20) days prior to the arbitration hearing, the

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

parties shall exchange all documents upon which they intend to rely at the arbitration hearing. The arbitration rules and procedures of the American Arbitration Association shall be incorporated by reference herein and the Federal Rules of Evidence shall govern the presentation of evidence therein. Documents submitted to the arbitrators shall be limited to documents relating only to the specific facts underlying or pertaining to the Claim or Future Claim then in issue, and shall not include documents which bear upon the drafting history of the policy (or type of policy) in question, or the interpretation placed or to be placed thereon.

(e) An award rendered by a majority of the arbitrators appointed pursuant to this Agreement shall ~~be final~~ and binding upon the parties to the proceeding and judgment on such award may be entered by either party in any court having jurisdiction. However, any finding of fact or law by any arbitrator shall have no precedential effect in any other dispute, arbitration or litigation. No such finding shall be cited as authority or precedent by any party to this Agreement in any litigation for any purpose other than to enter a judgment on the arbitrator's award.

(f) The parties agree that the arbitration provisions of this Agreement shall be a complete defense to any suit, action or proceeding instituted in any court or before any administrative tribunal with respect to any controversy or dispute so arbitrated in accordance with the provisions of this paragraph.

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

9. Parties' Obligation During Arbitration Proceedings - A demand for arbitration shall only affect GAF and said insurer(s) and shall not affect the obligations of other parties. This Agreement shall remain in full force and effect with respect to all parties for all matters which are not in dispute. The Committee shall continue to use best efforts to adhere to a reasonable agenda for evaluating all matters not in arbitration. ~~If the matter in arbitration is one in which an insurer has contested its obligation to pay defense costs, the Committee shall proceed to formulate an allocated share for that insurer in accordance with Paragraph 3 of this Agreement and the insurer shall pay said allocated share under protest until the conclusion of binding arbitration at which time the Committee shall readjust allocation in accordance with the arbitrator's decision and, if so ordered by the arbitrator's decision, shall return all monies paid under protest without interest to the insurer which prevailed before the arbitrator.~~ No party shall refuse to participate in said Committee because of the pendency of arbitration.

10. Avoidance of Litigation - During the term of this Agreement, no party shall institute any litigation against any other party to this Agreement regarding duty to defend issues for the Claims and Future Claims.

11. Effective Date and Term - This Agreement shall initially be for a term of one year from the above date and shall automatically be renewed for additional terms of one year unless any party gives notice in writing at least ninety (90) days prior to the expiration that it does not wish the Agreement extended. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective subsidiaries and affiliates, successors and assignees.

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

12. Construction - ~~The terms, scope and implementation of~~ this Agreement shall be governed by and construed in accordance with the laws of New Jersey. Each of the parties hereto have participated in the drafting of this Agreement, therefore, the language to this Agreement shall not be presumptively construed against any of the parties hereto. ~~Choice of law with respect~~ to substantive issues of defense coverage shall be decided by the arbitrators.

13. Confidentiality - The terms of this Agreement may be disclosed by GAF to its excess insurers and by the insurers to their respective reinsurers but shall otherwise be deemed to be confidential and not be disclosed except as provided herein or as directed by law or with the written consent of all other parties hereto.

14. Notice - All notices and communications in connection with this Agreement shall be directed to the following representatives of the parties:

Mr. Bruce Angelback, Supervisor
The Hartford
SEICO Unit
Hartford Plaza
Hartford, CT 06115

Mr. George Barkman
Claims Management Department
CIGNA Companies
1600 Arch Street - 7HO
Philadelphia, PA 19103

Ms. Norma Kantor, Examiner
AIG Risk Management
50 S. Clinton Street
Post Office Box 1176
East Orange, NJ 07019

Mr. Paul Gallo, CPCU
Casualty Manager
GAF Corporation
1361 Alps Road
Wayne, NJ 07470

15. Amendments - This Agreement may be amended only with unanimous consent of all parties, subject to the provisions of amending Exhibit A as noted in Paragraphs 3 and 7.

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

IT IS UNDERSTOOD and agreed that this Agreement is the product of negotiation and compromise and is not intended to represent the legal position of any of the parties hereto on any issue.

GAF CORPORATION

BY: _____

INSURANCE COMPANY OF NORTH AMERICA

BY: _____

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BY: _____

HARTFORD ACCIDENT & INDEMNITY COMPANY

BY: _____

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

IT IS UNDERSTOOD and agreed that this Agreement is the product of negotiation and compromise and is not intended to represent the legal position of any of the parties hereto on any issue.

GAF CORPORATION

BY: _____

INSURANCE COMPANY OF NORTH AMERICA

BY: _____

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BY: _____

HARTFORD ACCIDENT & INDEMNITY COMPANY

BY: _____

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

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GAF CORPORATION

BY: _____

INSURANCE COMPANY OF NORTH AMERICA

BY: George J. Barkman

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BY: _____

HARTFORD ACCIDENT & INDEMNITY COMPANY

BY: _____

DEFENSE AND DISPUTE RESOLUTION AGREEMENT

IT IS UNDERSTOOD and agreed that this Agreement is the product of negotiation and compromise and is not intended to represent the legal position of any of the parties hereto on any issue.

GAF CORPORATION

BY: _____

INSURANCE COMPANY OF NORTH AMERICA

BY: _____

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BY: _____

HARTFORD ACCIDENT & INDEMNITY COMPANY

BY: Russ C. Clugile 12/12/80

Regarding Par. 5, The Hartford hereby requests from lead counsel copies of all correspondence, reports, discovery documents, pleadings, and other such materials on all cases subject to this Agreement, at Hartford's expense. Lead counsel will send this material directly to The Hartford.

EXHIBIT D

CLAIMS SUBJECT TO GAF, INA AND HARTFORD DEFENSE AGREEMENT

Adkisson v. DuPont
American Felt & Filter
Amnicola Dump
Artel Chemical Site
Bald Knob Landfill
BASF - South 40 LPP Site
Berry's Creek
Boarhead Farm Site
Butler Tunnel
Charles Street Lot
Chemical Control - Federal Claim
Chemical Control - State Claim
Chemsol
Chrin Landfill
Colesville Landfill
Cunard Lower Landfills (Oplinger, Danielsville, Cunard Lower)
Distler Farm Site & Brickyard Site
Dorney Road/Oswald's Landfill
East Bethel Sanitary Landfill
Enviro-Chem
Fields Brook
Findett/Hayford-LPP Bridge Road Site
Flowers Property
Gallup's Quarry
G.E.M.S.
General Refining
Hardage Landfill
Helen Kramer Landfill
Heleva Landfill
Hills v. Broome County
Insta-Foam Products Facility
Kane & Lombard Site
Kenney v. Scientific
Kin Buc Landfill
Linden Facility
Lone Pine Landfill
Lowrance
Lowry Landfill

EXHIBIT D

CLAIMS SUBJECT TO GAF, INA AND HARTFORD DEFENSE AGREEMENT

(continued)

Marvin Jonas Transfer Station
Maryland Sand, Gravel & Stone
Mathis Brothers Landfill
Maxey Flats Nuclear Disposal Site
Metro Container
Mill Creek Dump
Millis Groundwater
Motco
Novacor (Chattanooga Facility)
Novak Landfill
Old Forge Landfill
O'Neil v. Picillo
Picillo Landfill
Pollution Abatement Services (PAS) - Oswego
Pollution Abatement Services - Fulton Terminal
Pollution Abatement Services - Clothier
Pollution Abatement Services - Volney
Peak Oil
PJP Landfill
Price's Pit
Reeser's Landfill
San Gabriel Valley (Area 1)
Scientific Chemical Processing, Inc. - Carlstadt
Scientific Chemical Processing, Inc. - Lone Pine
Scientific Chemical Processing, Inc. - Newark
Seaboard Chemical
Seymour Recycling
Shaver's Farm (Mathis)
Sheridan Site
Silresim
Silsonix Corporation
South Bound Brook (Towpath)
South Bound Brook (Main Street)
South Bound Brook (Canal Road)
South Marble Top Road (Mathis)
Spectron, Inc.
Stotler Landfill
Syncon Resins

EXHIBIT D

CLAIMS SUBJECT TO GAF, INA AND HARTFORD DEFENSE AGREEMENT

(continued)

Sydney Mines

Tate Cove

Taylor Road Landfill

Tex Tin Site

Tri City Oil Conservationist Corp. United States v. Riehl (Mill Creek) University Avenue

Gloucester City Vailsgate

Vanguard (Gloucester)

White, Chemical Corporation

EXHIBIT E

CLAIMS NOT SUBJECT TO GAF, INA AND HARTFORD DEFENSE AGREEMENT

ArChem Company site
Bay Drums
Carolawn
CEC Bridgewater Facility
Chickamanga Road Site
Erie Plant
Frenkel v. GAF
Global Landfill
Gloucester City
Maline Creek
Marble Top Road
Martinez v. Arco
North Hawthorne Dump
Oak Grove Sanitary Landfill
Odessa Drum
Oliver Landfill
Omega Chemical
Organic Chemicals Site
Piccolini
Revere Chemical
Sayreville Landfill
Stein v. GAF
Tampa Stillyard
Town of New Windsor v. Tesa Tuck, Inc.
Transtech Industries, Inc. v. A & Z Septic Clean
Tri- City Barrels

ATTACHMENT A

HARTFORD ACCIDENT & INDEMNITY COMPANY,
a Connecticut corporation;

INSURANCE COMPANY OF NORTH AMERICA,
a Pennsylvania corporation;

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA,
a New York corporation;

CHUBB INDEMNITY INSURANCE COMPANY,
a New York corporation;

COMMERCIAL UNION INSURANCE COMPANY OF NEW YORK,
a New York corporation;

NORTHBROOK INSURANCE COMPANY,
an Illinois corporation;

TRENWICK REINSURANCE COMPANY, LTD.,
a Bermuda corporation;

CERTAIN UNDERWRITERS AT LLOYD'S, LONDON AND LONDON
MARKET COMPANIES

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH,
a New York Corporation

CONTINENTAL CASUALTY COMPANY,
an Illinois Corporation

AETNA CASUALTY AND PROPERTY COMPANY
a Connecticut Corporation